

## Message Text

LIMITED OFFICIAL USE

PAGE 01     ALGIER 02994 261703Z  
ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01  
CIAE-00 CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-01  
INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04  
USIA-06 OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07  
PA-01 PRS-01 /112 W  
-----261705Z 125531 /53

R 261645Z DEC 76  
FM AMEMBASSY ALGIERS  
TO SECSTATE WASHDC 5652  
INFO AMEMBASSY LONDON  
AMEMBASSY PARIS  
AMCONSUL PALERMO  
USMISSION OECD PARIS  
AMEMBASSY ROME  
AMEMBASSY TUNIS

LIMITED OFFICIAL USE ALGIERS 2994

E.O. 11652: N/A  
TAGS: EFIN, ENRG, ETRD, AG, IT, TS  
SUBJECT: ALGERIA/ITALY GAS PIPELINE PROJECT REPORTED SHELVED

REF: ALGIERS 2583 (NOTAL)

1. BEGIN UNCLASSIFIED: OFFICIAL DAILY EL MOUDJAHID  
FOR DECEMBER 25 REPORTS THAT SONATRACH AND ITALIAN  
HYDROCARBON GROUP ENI HAVE DECIDED TO DROP ALGERIA/  
TUNISIA/ITALY GAS PIPELINE PROJECT AND OPT FOR LNG  
SOLUTION. LNG CONTRACT REPORTED TO CALL FOR 8.5 BILLION  
CUBIC METERS A YEAR FOR 20 YEARS FROM 1982. LNG TO  
BE LOADED AT SKIKDA. END UNCLASSIFIED.

2. BEGIN LIMITED OFFICIAL USE: ITALIAN EMBASSY SOURCE  
CONFIRMS SHELVEING OF PIPELINE PROJECT. SOURCE SAYS  
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PIPELINE WAS THE MOST ECONOMIC SOLUTION TO DELIVERY  
PROBLEM AND POSED NO INSURMOUNTABLE TECHNICAL DIFFICULTIES  
BUT NEGOTIATIONS WITH TUNISIA BROKE DOWN FOR POLITICAL  
REASONS. (HE MENTIONED BOURGUIBA'S IRRITATION OVER  
FREQUENT ALGERIAN VERBAL ATTACKS ON HIM. TUNISIAN  
CHARGE HERE TOLD US MAIN STUMBLING BLOCK WAS QUESTION

OF "TUNISIAN SOVEREIGNTY OVER PIPELINE" ON TUNISIAN  
TERRITORY.) ITALIAN SOURCE SAYS LNG WILL HAVE TO COME  
FROM NEW PLANT NOT YET ON DRAWING BOARD.

3. COMMENT: AS REFTTEL POINTS OUT , ALGERIA HAS  
ALREADY CONTRACTED FOR SALES OF SOME 75 TO 78 BILLION  
CUBIC METERS OF LNG PER YEAR. MAXIMUM LIQUEFACTION  
CAPACITY PRESENTLY PROJECTED IS 79.5, SO ADDITIONAL  
LIQUEFACTION FACILITIES WILL BE NEEDED TO SUPPLY  
ITALY IF EXISTING SALES CONTRACTS ALL RESULT IN  
ACTUAL SHIPMENT OF THE FULL AMOUNTS IN THE CONTRACTS.  
THE 1982 DATE SEEMS OPTIMISTIC IN VIEW OF TRACK  
RECORD OF BUILDING LNG PLANTS IN ALGERIA.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SALES, PIPELINES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 26 DEC 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** coburnhl  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976ALGIER02994  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760472-0578  
**From:** ALGIERS  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19761213/aaaaalff.tel  
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**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ALGERIA/ITALY GAS PIPELINE PROJECT REPORTED SHELVED  
**TAGS:** EFIN, ENRG, ETRD, AG, IT, TS, TENNECO, SONATRACH  
**To:** STATE  
**Type:** TE  
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